



COUNTY OF SAN DIEGO
DEPARTMENT OF CHILD SUPPORT SERVICES






2012 EMPLOYER WEBINAR

**Processing National Medical Support
Notices (NMSN)**




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DEPARTMENT OF CHILD SUPPORT SERVICES


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Audio Bro... Participants Chat Q&A

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**2011 EMPLOYER
WEBINAR**
Processing Income Withholding Orders

Q&A

All (0)

Ask: All Panelists

Send

For Help: 866-229-3239



TODAY'S PRESENTATION

- Review Part A and Part B of the National Medical Support Notice
- Processing of NMSN
- Determining enrollment of dependents in an employer health plan
- How to stay in touch with DCSS
- Questions and Answers



PRESENTERS

- Bergen Tomlinson,
Supervising Child Support Officer
- Jimabeth Ramsey,
Child Support Officer



ENROLLMENT IN HEALTH CARE

- Improves the financial stability of families
- Increases the access to preventive health care
- Saves taxpayer dollars
 - Employer-sponsored health benefits reduces public assistance expenditures





NMSN

- By law every order for child support must include a Health Insurance provision
- The NMSN has the same force and effect as a court order



WHAT TO DO UPON RECEIVING NMSN?

- Confirm employee named in NMSN is your employee
- What to do if individual is not your employee
 - Call our office 866-901-3212
 - Access our Employer Inquiry form on our website
 - www.sandiegochildsupport.org
 - Make a note on the Employer Response form and mail to our office
- Give employee copy of NMSN and Request for Hearing Forms



NMSN REQUIREMENTS

- Employee to maintain health insurance for the child at “no or reasonable cost”
- Employer to pay premiums directly to the insurance provider





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ENROLLMENT REQUIREMENTS

Employer must enroll the child(ren) without
regard to open enrollment restrictions





WHAT IF AN EMPLOYEE...

- Previously waived health insurance
 - Enroll the employee if pivotal to enroll the child(ren)
- Refuses to sign enrollment forms
 - Write "Per Court Order" on employee signature line



EMPLOYERS CANNOT DENY ENROLLMENT BECAUSE:

- The child was born out of wedlock
- The child was not claimed as a dependent on your employee's tax return





EMPLOYERS CANNOT DENY ENROLLMENT BECAUSE...

- The child does not reside with employee
- The child does not live within the service area



Limitations on Withholding

The total amount withheld cannot exceed 50% of the employee's net disposable earnings.





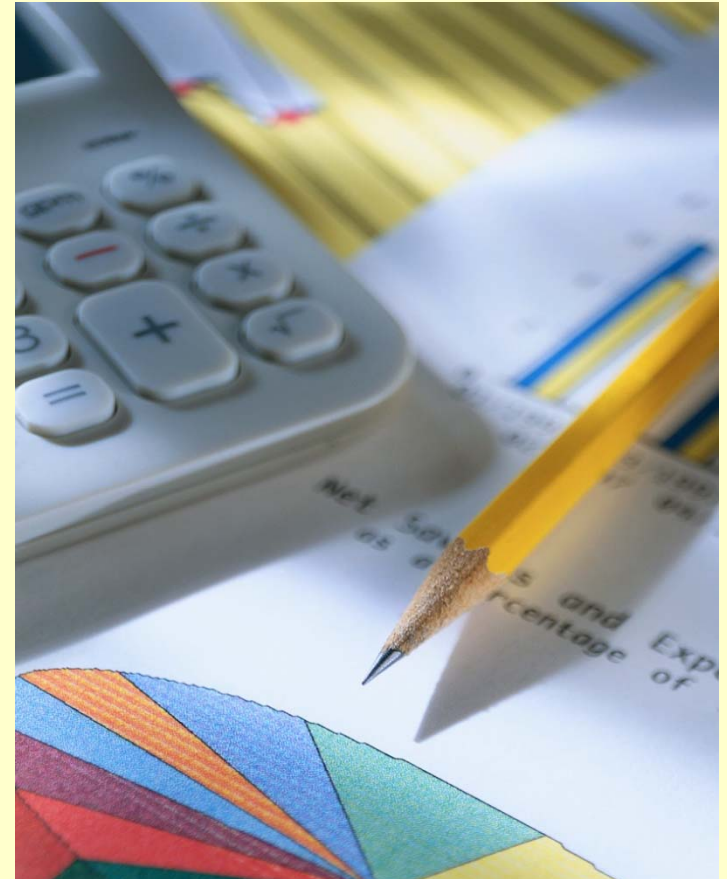
Withholding Priorities

1. Current Child/Family Support
2. Medical Support if on IWO
3. Health Insurance Premium
4. Current Spousal Support
5. Child/Family Support Arrears (Past Due)
6. Spousal Support Arrears (Past Due)



Calculating Deductions

- Determine what is included in gross earnings
- Apply mandatory salary/wage deductions
- Determine whether the garnishment can cover court-ordered health insurance coverage





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**Gross
Income**

-

**Allowable
Deductions**

=

**Net Disposable
Income (NDI)**



What is included in Gross Income?

- Wages
- Salary
- Bonuses
- Vacation pay
- Retirement income
- Commissions
- Dividends
- Royalties
- Residuals
- Payments as an independent contractor





Allowable Deductions

- Taxes and mandatory fees
 - Income taxes
 - Social Security / Medicare (FICA)
 - Unemployment insurance
 - Union Dues
 - Mandatory retirement deductions





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50% of NDI = Maximum Support to Deduct (MSD)



WITHHOLDING EXAMPLE...

a) Gross Wages..... \$750

b) Social Security - \$65

\$685

c) Medicare Tax..... -\$23

\$662

~~d) Voluntary 401K Contributions..... \$20~~

Net disposable income \$662



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\$662.00 NDI x 50% (maximum support to deduct) = \$331 MSD



Child Support and Health Insurance Less than Maximum Support Deduction

Net Disposable Income	\$662
	X 50%
Maximum Support Deduction	\$331

Ongoing Child Support..... \$150

Health Insurance..... + \$50

Withhold \$200

**In this example health insurance is available at a reasonable cost,
therefore forward Part B to your plan administrator.**



Child Support and Health Insurance Exceed Maximum Support Deduction

Net Disposable Income	\$662
	X 50%
Maximum Support Deduction	\$331

Ongoing Child Support.....	\$300
Health Insurance.....	+ \$50
	\$350

However MSD is \$331...

Withhold Child Support Only... \$300

In this example, employer should complete Item 4 of the Employer Response form and return it to the DCSS. No coverage.



Child Support, Health Insurance, and Arrears Exceed Maximum Support Deduction

Maximum Support Deduction \$331

Ongoing Child Support.....	\$200	\$200
Health Insurance.....	+ \$50	\$50
Arrears.....	\$100	+ \$81
<hr/>		
Total Child Support Obligation	\$350	\$331 MSD

Deduct...

\$281



State
Disbursement
Unit

\$50



Health Plan
Administrator



Important Reminder

- If the Health Insurance is...
 - More than maximum support deduction then circle item number 4 on Employer Response and mail to DCSS
 - Less than the maximum support deduction then forward Part B to Plan Administrator within 20 days of receipt of NMSN.



NMSN Part B

- Plan Administrators role
 - Process enrollment for child(ren) named on NMSN
 - Within 40 days furnish DCSS with forms, documents or information needed by custodial party to access benefits



WHEN EMPLOYMENT OF NONCUSTODIAL PARENT ENDS?

- Complete Termination of Benefits/ Employment
Notice and send to DCSS





Lapse in Coverage

- If there is a lapse in coverage, notify DCSS with:
 - Date coverage ended
 - Reason for lapse
 - When and if coverage is expected to resume





WHEN CAN HEALTH INSURANCE BE TERMINATED?

- **Employer can terminate coverage for a child only if:**
 - **Family health coverage has been eliminated for all employees similarly situated**
 - **Employer receives notification from DCSS to discontinue enrollment**





Employer Penalties For Non-Compliance

- Employer may be liable to the Custodial Parent for any cost incurred for services that would have been covered by insurance
- Failure to comply could be punishable by contempt



SPECIAL SITUATIONS

- Seasonal employees
 - Keep NMSN on file and enroll when employee is back on payroll
- Dependents outside of coverage area
 - Enroll the child
- Multiple Health Insurance Plans
 - Employee chooses plan or employer enroll in the least expensive plan
- Employee has private insurance
 - Enroll the child





STAYING IN TOUCH

- By Phone: 866-901-3212
- Employer Fax Numbers: 619-236-4426 or 4427
- Other Information Sources
 - California DCSS Website (childsup.ca.gov)
 - SDDCSS Website (sandiegochildsupport.org)
 - Employer Online Inquiry Form





QUESTIONS AND ANSWERS

- Todd Faucher, Child Support Program Attorney
- Joella Parra, Supervising Child Support Officer